



FOR IMMEDIATE RELEASE

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LOS ANGELES COUNTY ADVANCES PAY-FOR-SUCCESS FINANCING

LOS ANGELES, October 15, 2013 – With a goal of improving service results and reducing public spending, Los Angeles County Supervisors Don Knabe and Mark Ridley-Thomas are looking to launch “Pay-for-Success” financing for County programs.

Pay-for Success is a concept where government pays service providers only if results are achieved. Rather than the traditional look at number of clients served or services provided, results are measured by prevention and outcomes. In some models, private financing is used to fund the program so that program risk is not held by taxpayers; however, if the program is successful, then investors may receive a modest return on their investment.

In a motion presented today by Supervisors Ridley-Thomas and Knabe, they asked for the County’s Chief Executive Officer to convene an advisory group of external Pay-for-Success financing experts to work with county officials to develop guidelines to launch Pay-for-Success programs across county departments. Within 90 days, they requested a financial and operational blueprint for selecting and executing the Pay-for-Success concept.

Chairman Ridley-Thomas said: “Results matter. Pay for Success is an exciting opportunity to transform government by investing in social programs that work.”

Through the Pay-for-Success model, started in the UK and launched in the US in New York City, private sector innovation is used to improve outcomes for constituents, while

also realizing savings for the public.

“The Pay-for-Success model is being tested across the United States and Los Angeles County should be leading the way in finding innovative ways to develop public-private partnerships which require proof of program results,” said Supervisor Knabe. “The County’s budget will continue to be challenged by federal and state mandates. We must look at creative ways to fund critical programs, while also improving the services we provide to those most in need.”

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